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1. The present Communist military drive to the Southwest is prompted not only by the desire to consolidate the mainland but also by the doubt that the Chinese Communist Party (CCP) will be able to hold and control the coastal cities if attacked there in case of a world war. The CCP believes that a world war is inevitable and imminent.
2. The CCP is also conscious of the fact that they are unable to keep the coastal cities going and will abandon them in the near future for bases in the interior, certainly if war comes from abroad and probably if the economic situation becomes worse.
3. YANG Hu (楊虎), one of the leaders of the Farmers' and Laborers' Party in Shanghai, is in Peiping at the invitation of CHOU En-lai. It is rumored that he is in Peiping to help make plans for the abandonment by the Communists of Shanghai.
4. Another rumor is that YANG was invited to Peiping to get him away from the protection of his men, as he has been held by CHEN Yi as hostage for the good behavior of Shanghai gangs under his influence, ever since he offered his assistance in the takeover of Shanghai.

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